

Ex. 12

The Star-Ledger

Tenants hope departure brings change

As embattled housing chief retires, residents call for an overhaul

Sunday, February 05, 2006

BY BARRY CARTER AND JEFFERY C. MAYS

Star-Ledger Staff

When she took the keys to her new Newark Housing Authority townhouse built on the site of the former Otto Kretschmer high-rises, tenant president Nancy Crespo thought the development would be the shining light of the city.

Since that day in 2004, "it's been hell," she said.

Water collects in crawl spaces, causing mildew. Floor tiles are coming up, ceilings leak and toilets have clogged from bad plumbing. After trying for more than a year to get help from the Newark Housing Authority for herself and other residents at the complex with no results, Crespo resigned as tenant president.

Crespo said she blames housing authority management for failing the tenants and said the agency needs a total overhaul in how it's managed and operated.

Such a change could be in the works.

Current authority Director Harold Lucas' last day is this Friday. He resigned ahead of the expected release of a federal audit of the agency's spending and management practices that began after it was revealed the agency spent \$1 million to renovate its headquarters as it sent layoff notices to almost 100 workers.

Among the half-dozen tenant leaders interviewed who represent a portion of the 30,000 residents of public housing, there is a sentiment that Lucas' resignation presents an opportunity for change. The new director, they say, should be chosen because of his qualifications, be free of political control and willing to listen to residents.

"I really believe his resignation is a good thing," said Mary Rone, president of the Newark Tenants Council. "I hope his leaving will take the politics out of the Newark Housing Authority and put the light on the residents."

Recent federal audits of the housing authority have instead shined a light on the agency's failures, revealing widespread mismanagement. Workers were often unaware of how to follow U.S. Department of Housing and Urban Development regulations. The agency was not properly reporting crime on its properties. Inspections were not being performed on housing units and residents were not paying the correct amount of rent.

And then there are the questionable expenditures. Among the purchases was a \$2,849, 42-inch plasma television for Lucas' office. Lucas' daughter received \$25,000 to run the authority's beauty pageant. Both Lucas and his daughter reimbursed the agency for those expenditures. Four of Lucas' family members are employed by the authority and none were laid off. Lucas did not respond to a request for comment.

Despite the revelations, Mayor Sharpe James, who controls the authority via his ability to appoint the housing authority commissioners, has defended Lucas publicly.

"It's a great loss to the city of Newark because of his long tenure and having been one of the exemplary employees who was so good he was chosen by President (Bill) Clinton to head all public housing," James said when Lucas announced his retirement. Lucas was tapped by Clinton to serve as assistant secretary of public and Native American housing.

At the Pennington Court housing complex on South Street, tenant President Edwin Bradley said housing authority management has failed tenants because many apartments lack the basic equipment you would expect in any apartment: showers.

The development, which never had showers, started to get some a few years ago. Renovations stopped, supposedly because of funding problems within the agency. New boilers never arrived either, leaving residents to deal with sporadic hot water from one inadequate boiler.

"Federal and state government need to take over the housing authority," Bradley said. "The governor needs to assign the commissioners, not the mayor of the city."

Housing Authority Deputy Executive Director Oliver Lofton is the top candidate to serve as interim director when Lucas leaves. He said Lucas could be faulted for the management issues raised by HUD but added that he oversaw a complex agency.

For example, Lofton said the renovation of the building at 500 Broad St. could be viewed as a smart investment with the price of downtown real estate on the climb. Lucas has made progress with the look and construction of townhouses to replace demolished high-rises. To make public housing better, tenants need to take more ownership, said Lofton.

"Tenants have a responsibility to cooperate with management. Don't drop paper on the ground, don't scribble on the walls. If you see someone selling drugs, turn them in. The housing authority is a microcosm of what is going on all around the country," said Lofton.

New Jersey is one of the worst markets for affordable housing in the country, making the housing the authority provides even more important.

In order to afford the fair market rent of \$1,085 per month for a modest two-bedroom apartment in the Newark area, residents have to earn \$20.87 per hour at a full-time job, according to figures from the Washington, D.C.-based National Low Income Housing Coalition. Half the population in Newark earns less than \$25,000 per year, which is about \$12 an hour.

"Housing authorities are an absolute essential part of the affordable housing network," said Sheila Crowley, president of the National Low Income Housing Coalition. "When they don't operate well, it's extremely detrimental to low-income people that need housing."

With federal funding of HUD being reduced each year, housing authorities have to do more with less, said Crowley. That means they have to maintain the housing stock they already have, keep vacancy rates low and use the money for housing vouchers wisely.

"The housing authority don't have a lot of room to expand the supply, and there is no new money to build," said Crowley.

Lucas and his agency were criticized by HUD for maintenance of its facilities and for use of the money intended to provide residents with housing vouchers. The authority misused \$6.4 million in its housing voucher reserve program, including \$3.9 million to buy 12 lots for a downtown arena. The authority was forced to return the money to its reserve account.

"They brought (Lucas) in because he had development expertise. That's not the big problem. When you look at things he was faulted for by HUD, it's property management," said Maryanne Russ, a public housing expert with Abt Associates.

"Management is harder. It's easier to build this stuff than to run it, especially over time," said Russ.

Marian Williams, tenant president at Felix Fuld, said she'd like to see the new management take a more hands-on role. She said police protection is needed at the complex, where the sound of gunfire is a regular occurrence and residents' concerns must be taken seriously.

"Monitor the worker. Don't just take their word that everything is okay," she said. "Come and see for yourself."